

**GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
RAILWAY BOARD**

No. 2012/TG.III/618/1

New Delhi dated 18.06.2012  
22

The General Managers  
All Indian Railways

MD/IRCTC, New Delhi

**(COMMERCIAL CIRCULAR NO. 40 OF 2012)**

Sub: Revised guidelines regarding levy of Service Tax,  
VAT and newly to be introduced GST in catering services

Ref: 1. Board's letter no. 2006/TG-III/618/1/Service Tax dated  
31.03.2006, 18.04.2006 and 31.07.2009  
2. Board's letter no. 2001/TG-III/631/2 dated 28.03.2003

The catering charges for Rajdhani/Shatabdi/Duronto Express trains are inbuilt as a part of ticket fare as such the taxes leviable thereto need to be incorporated based on sector-wise calculations. In case of other Mail/Express and static units these Taxes are to be collected directly from passengers through cash memo, money receipts etc.

In view of the above, the following guidelines are issued:

(a) As the Service Tax and abatement are not fixed and changing year after year, the Tax element will be separated from the apportionment of catering charges of Rajdhani/Shatabdi/ Duronto trains and sector-wise service tax will be calculated separately by Zonal Railways as in the case calculating catering charges as per unit catering notified from time to time. This will be uniformly applied on all sector and the prevalent Service Tax and abatement notified from time to time can be applied on sector-wise apportionment of catering charges.

(b) All prevailing taxes (VAT), as well as any new tax (in case of GST) which would be imposed under the governing law, upon the catering services rendered in Rajdhani/Shatabdi/Duronto trains where catering charges are included in the ticket fare, shall be collected by railways from the passengers separately over the catering charges and passed on to the licensee for onward submission. In case of other mail/express trains such taxes would be collected by the licensees directly from the passengers through cash memos and should be deposited promptly to appropriate Govt. agencies except those rates in which Service Tax included in the rate of standard items like tea, coffee, standard meal etc.

(c) General Service Tax (GST) which has been announced in the union Budget 2012-13, if leviable, is also to be charged and collected from the passengers over and above the notified catering charges and passed on to the service provider for onward submission.

This issues with the concurrence of Finance Dte. of Railway Board.

Please acknowledge receipt of this letter.

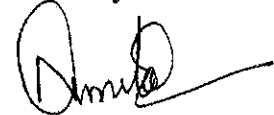


(Mani Anand)  
Executive Director (T&C)  
Railway Board

No. 2012/TG.III/618/1

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Copy to: FA&CAOs, All Indian Railways – For information and necessary action.



For Financial Commissioner, Railways